

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

April 24, 2019

AGENCY MEMBERS PRESENT

Scarboro, Douglas, Chair
Patric, Kenneth, M.D., Vice-Chair
Brown, Laura Beth
Chinn, R.G. Rick
Korth, Paul
Ridgway, Corey
Taylor, Todd
Harding, Jaclyn, Designee for Comptroller
Jordan, Lisa, Designee for Commerce & Insurance Commissioner

AGENCY MEMBERS ABSENT

Alsup, Thomas
Gaither, Keith, Designee for TennCare

AGENCY STAFF PRESENT

Grant, Logan, Executive Director
Farber, Mark, Deputy Director
Christoffersen, Jim, General Counsel
Eden-Hoback, Lowavia, Office and Resource Manager
Earhart, Phillip, HSD Examiner
Craighead, Alecia, Information and Data Analyst
Grimm, Jeff, HSD Examiner
Bock, Steve, Admin Assistant I

COURT REPORTER

Daniel, April

GUESTS PRESENT

Adams, Joshua, Student, MTSU
Babiry, Shilan, Student, MTSU
Babiuj, Hadar, Student, MTSU
Benson, Sandy, Professor, MTSU
Brown, Dere, Director of Health Planning and License/Certification, NHC
Eads, Judy, Consultant, Humphreys County Nursing Home
Ellis, Rich, CEO, Tennova Healthcare Harton
Elrod, Dan, Esq., Butler Snow
Evans, Tim, VP, HCA
Felts, Ginna, Business Development, Vanderbilt University Medical Center
Gaffney, Lauren, Attorney, Bass Berry Sims
Gattuso, Frank, Executive Director, Ave Maria Home
Gooch, Warren, Esq., Kramer and Rayson, LLP
Herndon, Tracy, Student, MTSU
Hesen, Rujin, Student, MTSU
Kramer, Nancy, Nursing Director, BriovaRx
Marvel, Jeff, M.D., Center for Day Surgery
Morales, Angel, M.D., Marvel Clinic
Puri, Chris, Esq., Bradley Arant
Reddick, Tracy, RN/Branch Director, Gentiva Health Services
Reed, Ann, R., RN., BSN, MBA, Director of Licensure, TDH, Division of Health Care Facilities
Suleen, Tori, Student, MTSU
Swearingen, Travis, Esq., Butler Snow
Tahir, Nijan, Student, MTSU

Taylor, Jerry W., Esq., Burr & Forman
Tidwell, Ava, RN/GM, BriovaRx
Tidwell, McKinley, Student, MTSU
Trammell Jr., Charles, Director, Retirement Companies of America
Trauger, Byron, Esq., Trauger and Tuke
Vincent, Michelle, SR VP, Retirement Companies of America
Wellborn, John, Consultant, Development Support Group
West, Christy, RN/BSN, Kindred at Home
Winkler, Daniel, VP, HCA

CALL TO ORDER:

The meeting was called to order at 8:30 a.m. by Mr. Scarboro with the following members present: Jordan, Korth, Patric, Scarboro, Brown, Chinn, Taylor, and Harding. A quorum¹ was established with eight members being present. Mr. Ridgway arrived at 8:37 a.m. after roll call.

DIRECTOR'S ANNOUNCEMENTS

- The June 26, 2019 board meeting will be held at Cordell Hull Legislative Building.

APPROVAL OF MINUTES

Mr. Scarboro presented the February 27, 2019 minutes for approval.

Dr. Patric moved for approval of the minutes as presented. Mr. Chinn seconded the motion. The motion CARRIED [9-0-0] unanimously by voice vote. **APPROVED**

STATE HEALTH PLAN UPDATE

TDH Division of Health Planning Director Jeff Ockerman reported that there were not any updates since the last meeting.

CERTIFICATE OF NEED APPLICATIONS

Three certificate of need applications were considered under TCA § 68-11-1609(b) which notes the conditions that must be met in order to grant a certificate of need—when the action proposed in the application is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care facilities or services.

Deputy Director Farber introduced each of the three applications under consideration with all being approved.²

Center for Day Surgery, Tullahoma (Coffee County), TN CN1812-050

Mr. Ridgway and Mr. Korth recused.

Request: The removal of a specialty limitation condition that will enable the applicant to add surgical specialties as needed to an existing ambulatory surgical treatment center (ASTC) located at 1821 North Washington Street, Tullahoma (Coffee County), TN. The ASTC includes one operating room and is wholly owned by Dr. Jeffrey B. Marvel. The estimated project cost is \$115,000.

¹ Quorum Requirement- Six members shall constitute a quorum. TCA §-68-11-1604(e) (3)

Dr. Patric moved for approval with Ms. Harding providing the second.

Factual and Legal Basis for approval:

Need – It has been demonstrated by the decline in general surgery cases at the existing facilities. The decline in those services appear to be moving out of the area. Bringing in a specialist that doesn't exist and that the opposition admits that a specialist doesn't exist in the Tullahoma area right now. It is likely to be able to bring those services back into the town and allow the people to stay in town;

Economic Feasibility – The cost is minimal;

Healthcare that Meets Appropriate Quality Standards – It relates more to the quality of services of the physician who is well-qualified and has board certification. The facility itself has been approved by the ambulatory surgery accreditation agency for a number of years;

Contribution to the Orderly Development of Healthcare – The opposition stated that this particular approval is not likely to make or break the hospital by itself. It's certainly based on the capacity and utilization of the current ambulatory surgery center. A freestanding ambulatory surgery center is not going to make a significant difference or impact on their business.

Five members voted to approved the application— Jordan, Patric, Brown, Harding, and Scarboro. Two members voted not to approve – Taylor and Chinn. The motion CARRIED [5-2-0].

St. Clare Health and Rehabilitation, LLC, Bartlett (Shelby County), TN CN1901-001

Request: The relocation of St. Clare Health and Rehab, LLC, a 48 bed dually certified nursing home, from its current location at 1755 Eldridge, Memphis (Shelby County), TN approximately 12 miles northeast to 2805 Charles Bryan Road, Bartlett (Shelby County), TN 38134. The applicant is owned by Ave Maria Home. The estimated project cost is \$685,000.

Mr. Taylor moved for approval of the project with Ms. Jordan providing the second.

Factual and Legal Basis for approval:

Need – The project meets the need requirements as the beds are already approved in that service area;

Economic Feasibility – The renovation costs fall well below the first quartile of the average renovation costs referenced in the 2015/2017 average cost for those renovations. This project will be funded by securing a two-year short-term loan being supported or interested in being supported by Pinnacle Bank;

² Approve all or part of a certificate of need, upon any lawful conditions that the agency deems appropriate and enforceable on the grounds that those parts of the proposal appear to meet the applicable criteria. TCA §-68-11-1609 (a) (1)

Healthcare that Meets Appropriate Quality Standards – The applicant is licensed by the State of Tennessee and will be certified for the participation of both Medicaid and Medicare programs;

Contribution to the Orderly Development of Healthcare – They have transfer agreements with two local main hospitals. The approval of this project will not have any negative effect on any other provider.

Nine members voted to approve the application— Ridgway, Jordan, Korth, Patric, Brown, Chinn, Taylor, Harding, and Scarboro. The motion CARRIED [9-0-0].

Healthfield of Tennessee, Lebanon (Wilson County), TN – CN1901-002

Ms. Brown and Mr. Korth recused.

Request: The addition of Putnam County to the existing 15 county licensed service area of Healthfield of Tennessee, LLC d/b/a Kindred at Home I located at 115 Winwood Drive, Suite 101, Lebanon (Wilson County), TN 37087. The estimated project cost is \$45,000.

Ms. Jordan moved for approval of the project with Ms. Harding providing the second.

Factual and Legal Basis for approval:

Need – The project is needed to reduce overhead costs and enhance operational efficiencies by serving Putnam County patients out of the applicant's Lebanon office, which is one hour closer than its sister agency located in Nashville. This will improve the response time to care for patients in the event they experience treatment complications. This project will also allow the applicant to develop a hospice bridge program with affiliated hospice agencies that operate in Putnam County;

Economic Feasibility – The cost of implementing the CON is minimal. It can be funded by cash reserves, and the project should result in reduced administrative costs;

Healthcare that Meets Appropriate Quality Standards – The applicant is licensed by the Department of Health, which found no deficiencies during the last survey conducted in October of 2018, and the applicant is Medicare certified;

Contribution to the Orderly Development of Healthcare – Because the applicant's sister's agency, Gentiva, will surrender Putnam County from its service area upon approval of this CON, the total number of home health agencies serving Putnam County will not change and should have no negative impact on existing providers. The applicant plans to use the existing community linkage plan of Gentiva and of its affiliated hospice providers.

Nine members voted to approve the application— Ridgway, Jordan, Patric, Taylor, Chinn, Harding and Scarboro. The motion CARRIED [7-0-0].

GENERAL COUNSEL'S REPORT

Southern Hills Surgery Center, Brentwood (Davidson County) – CN1411-047A

Mr. Ridgway, Ms. Brown, and Ms. Harding recused.

- Request for 24 month extension, from 6/24/19 to 7/01/21

Dr. Patric moved for approval with Mr. Taylor providing the second.

Six members voted to approve the request— Jordan, Korth, Patric, Chinn, Taylor, & Scarboro. The motion CARRIED [6-0-0].

Humphreys County Nursing Home, Waverly (Humphreys County) – CN1511-049AE

- Request for 4 month extension, from 6/1/19 to 10/1/19

Mr. Taylor moved for approval with Ms. Harding providing the second.

Nine members voted to approve the request— Ridgway, Jordan, Korth, Patric, Brown, Chinn, Taylor, Harding, & Scarboro. The motion CARRIED [9-0-0].

Chattanooga Hamilton County Hospital Authority dba Erlanger Health System, Chattanooga (Hamilton County) – CN1601-002A

- Request for cost 24 month extension, from 7/1/19 to 7/1/21

Mr. Ridgway moved for approval with Mr. Korth providing the second.

Nine members voted to approve the request— Ridgway, Jordan, Korth, Patric, Brown, Chinn, Taylor, Harding, & Scarboro. The motion CARRIED [9-0-0].

Farms at Bailey Station, Collierville (Shelby County) – CN1303-008AEEM & CN1311-045AEE

- Request for 18 month extension for each CON, from 7/1/20 to 1/1/22

Ms. Jordan moved for approval with Mr. Taylor providing the second.

Nine members voted to approve the request— Ridgway, Jordan, Korth, Patric, Brown, Chinn, Taylor, Harding, & Scarboro. The motion CARRIED [9-0-0].

Contested Case Update

Mr. Christoffersen provided the following update:

Mid-South Imaging has appealed the denial of its application for establishment of an ODC and initiation of imaging services, in Jackson (Madison County).

The Initial Order in the Arlington freestanding ED appeal is anticipated. Once received, Mr. Grant will send the order to the members. Mr. Christoffersen advised that this case could be appealed back to the Agency, so members were advised to not discuss it with anyone, including each other.

Annual Continuing Need/Quality Measures Report Update

Ms. Brown recused on all four projects.

Mr. Farber provided an update on annual continuing need/quality measure reports filed or overdue to date.

He presented four CONs that the Agency agreed to review at the February meeting:

BrioVaRx Infusion Services f/k/a AxelaCare Health Solutions, Memphis (Shelby County) – CN1606-022A, CN1702-008A, and CN1702-009A.

-Establishment of a home health agency limited to the home infusion of immune globulin pharmaceuticals in all 95 counties

- Patient volumes projected in CON application were not being met

After presentation by the CONs’ Holder, The Agency by voice vote moved to find the CON Holder’s Annual Report to be in compliance requiring no further action until next year’s review.

Ascension at Home of St. Thomas f/k/a MaxLife at Home of Tennessee d/b/a Careall Home Care Services, Nashville (Davidson County) – CN1608-029A BrioVaRx Infusion Services f/k/a AxelaCare Health Solutions, Memphis (Shelby County) – CN1606-022A, CN1702-008A and CN1702-009A.

-Relocation of home office from Maury County to Davidson County with the surrender of six counties from its service area.

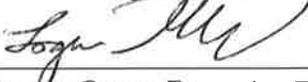
- Patient volumes projected in CON application were not being met

After presentation by the CON Holder, The Agency by voice vote moved to find the CON Holder’s Annual Report to be in compliance requiring no further action until next year’s review.

OTHER BUSINESS

ADJOURNMENT

There being no further business, the meeting adjourned.



Logan Grant, Executive Director

HSDA Minutes provide a brief summary of agency actions. A detailed record of each meeting (recording and transcript) is available upon request by contacting the HSDA office at 615-741-2364.